

Message Text

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43

ACTION EA-14

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AMCONSUL HONG KONG

LIMITED OFFICIAL USETAIPEI 1152

USDOC FOR MAJOR PROJECTS DIVISION

PASS EXIM BANK

HONG KONG FOR RAND

EO 11652

TAGS NA

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SUBJECT/ CHINA STEEL MILL PROJECT

1. FOLLOWING IS LATEST RUNDOWN ON STATUS OF VARIOUS PACKAGES
FOR THE CHINA STEEL MILL PROJECT:

(A) PLATE MILL: CONTRACT SIGNED WITH MESTA
(AROUND \$23 MILLION).

(B) BAR MILL: BLOW-KNOX HAS BEEN GIVEN LETTER OF INENT
(AROUND \$11 MILLION).

(C) ROD MILL: MORGAN CONSTRUCTION HAS BEEN GIVEN
LETTER OF INTENT (AROUND \$9.6 MILLION).

(D) ELECGRICAL EQUIPMENT FOR PLATE MILL: CURRENTLY
NEGOTIATION WITH GENERAL ELECTRIC AND WESTINGHOUSE
(ESTIMATED COST AROUND \$6 MILLION).

(E) ELECTRICAL EQUIPMENT FOR ROD AND BAR MILLS:
WESTINGHOUSE GIVEN LETTER OF INTENT (AROUND \$6 MILLION).

F) STRUCTURAL STEEL FOR VARIOUS MILLS: NEGOTIATING WITH BRISTOL
STEEL (ESTIMATED COST AROUND \$18 MILLION).

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G) PLING FOR VARIOUS MILLS: RETSER PROBABLY WILL DO PILING

WORK UNDER A TECHNIQUE LICENSED BY
RAYMOND. RAYMOND WILL SUPPLY PILING AND
TECHNICAL ASSISTANCE TO RETSER (ESTIMATED COST BETWEEN
\$6 AND \$7 MILLION).

H) HEAVY OVERHEAD CRANES: ALLIANCE HAS BEEN GIVEN LETTER OF INTENT
(AROUND \$4 MILLION).

I) ADDITIONAL OVERHEAD CRANES, APPROXIMATELY 50:
ALLIANCE, MORGAN, P&H, CLEVELAND CRANE PLUS A
JAPANESE AND BRITISH FIRM HAVE BEEN INVITED TO TENDER
(ESTIMATED COST AROUND \$10 MILLION).

J) PORTABLE CRANES: 8 U.S. FIRMS INVITED TO TENDER (ESTIMATED
COST \$3 MILLION).

K) HEATING FURNACES FOR THE PLATE, BAR AND ROD MILLS: SURFACE
COMBUSTION DIVISION OF MIDLAND ROSS,
SWINDLE-DRESSER AND LOFTUS INVITED
TO TENDER.

L) BLAST FURNACE: ISHIKAWAJIMA HEAVY INDUSTRIES NOW
ONLY BUDDER. BOTH UK AND GERMAN FIRMS HAVE NOW DROPPED OUT.
AWARDED WILL GO TO IHI IF PRICE AND SPECS ARE SATISFACTORY.

M) OXYGEN PLANT: AWARDED TO BRITISH OXYGEN (AROUND POUNDS 2.9
MILLION).

N) COKE OVENS: BIDS EXPECTED FROM KOPPERS AND A UK AND
WEST GERMAN FIRM.

TENDER DEADLINE IS MARCH 9, 1974.

2. JAPAN HAS OFFERED UP TO \$100 MILLION IN SUPPLIER
CREDITS WHILE ECGD HAS OFFERED POUNDS 33 MILLION,
LESS THE POUNDS 2.9 MILLION ALREADY EARMARKED FOR THE OXYGEN PLANT.

3. IN ADDITIONAL TO MAJOR ITEMS MENTIONED ABOVE, CHINA
STEEL HOPES TO PURCHASE A VERY SUBSTANTIAL QUANTITY
OF VARIOUS TYPES OF STEEL MILL EQUIPMENT FROM US COMPANIES.
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4. IS BELIEVED THAT CHINA STEEL WILL REQUEST AN ADDITIONAL
\$50 MILLION FROM EXIM OVER AND ABOVE
THE \$150 MILLION PRELIMINARILY COMMITTED.
MC CONAUGHY

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